PROPOSED [redacted] OF [redacted] POLICY FORMULATION

STATE MEDICAL SOCIETY

HOUSE OF DELEGATES

PROPORTIONAL REPRESENTATION OF DOCTORS THROUGHOUT STATE (APPROXIMATELY 100 MEMBERS)

OREGON PHYSICIANS' SERVICE

BOARD OF TRUSTEES

11 MEMBERS FROM HOUSE OF DELEGATES

BOARD OF DIRECTORS

WHOLLY RESPONSIBLE FOR ALL POLICY [redacted]

OPS MANAGEMENT

INTERPRET AND ADMINISTER POLICIES

RESULTS

1 UNIFORM APPLICATION OF POLICIES

2 ELIMINATION OF ALL POOLS AND POOL [redacted]

[redacted] DISTRICT MEDICAL SOCIETIES

JACKSON COUNTY — SUPERVISORY COUNCIL

MULTNOMAH COUNTY — SUPERVISORY COUNCIL

MORRISON AND POLK COUNTIES — SUPERVISORY COUNCIL

BALANCE OF COUNTIES

POLICY RESPONSIBILITY

1 FOR SUGGESTIONS TO OPS BOARD OF DIRECTORS NEW POLICIES OR MODIFICATIONS OF PRESENT POLICIES

2 FOR ASSISTING OPS IN THE ADMINISTRATION OF POLICIES AS APPLIED TO DOCTORS

[redacted]

4740 3284

PRESENT ORGANIZATION PLAN

Recommendations

OREGON STATE MEDICAL SOCIETY

MSA BOARD OF TRUSTEES

BOARD OF DIRECTORS

GENERAL MANAGER

COUNTY MEDICAL SOCIETIES

SUPERVISOR COUNCILS

SALES OFFICE

DIVISION MANAGER

EXECUTIVE ASSISTANT

PRODUCTION MANAGER

PORTLAND

SALESMEN

SALES

SALESMEN

SALES RECEPTIONIST

BEDFORD

OFFICE MANAGER

2 CLERKS

DIVISION MANAGER

EXECUTIVE ASSISTANT

FIELD REPRESENTATIVE SUPERVISOR

SUPERVISORS

FIELD REPRESENTATIVES

KEY PLANS DEPARTMENT

VETERANS CLAIMS CLERK

SPECIALIZATION DEPARTMENT

ACCOUNTING DEPARTMENT

RECEPTIONIST & BUSINESS DEPARTMENT

INDUSTRIAL SERVICE

MAIL CLERK

STATUS UNIT

I&S SUPERVISOR

CLAIMS SUPERVISOR

CASE REPORT UNIT

BILL AUDIT UNIT

PURCHASING AGENT

FIRST AID

CASHIER

OUTLYING FIELD NURSES

ACCOUNTING DEPARTMENT

RECEPTIONIST

CLAIMS DEPARTMENT

SUPPLY DEPARTMENT

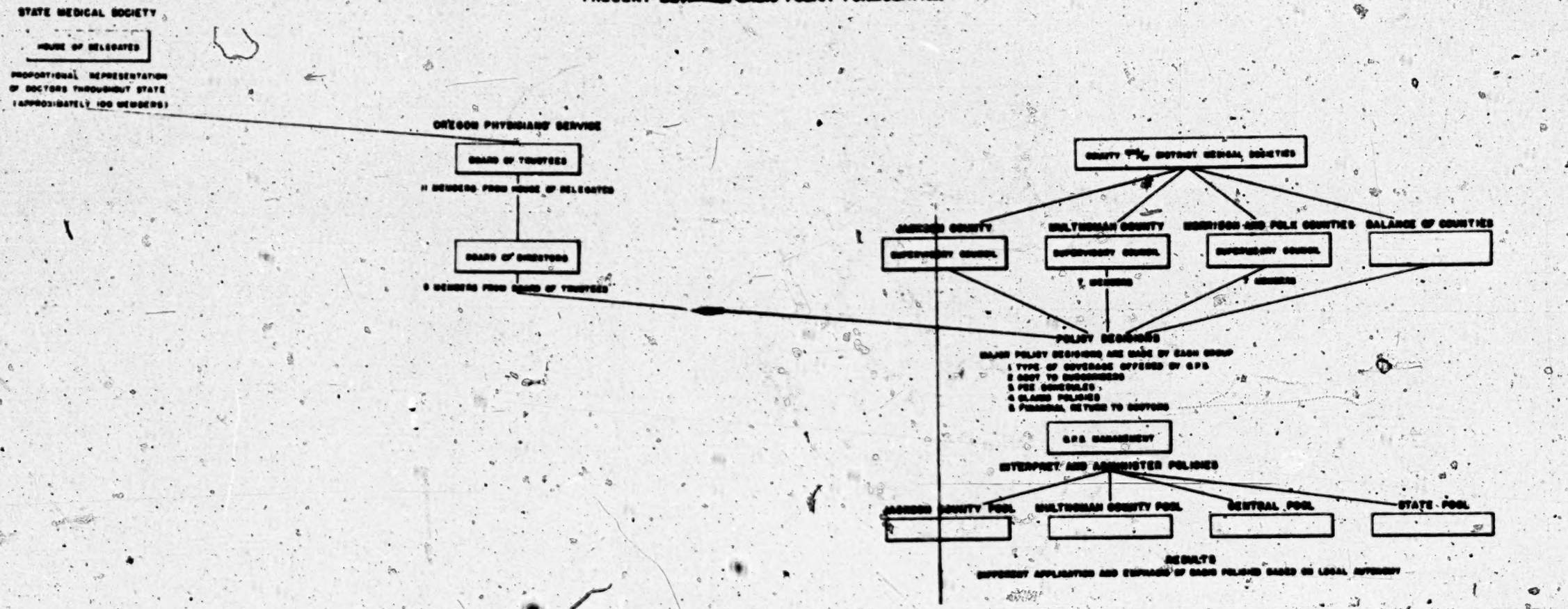
FILE DEPARTMENT

I&S DEPARTMENT

ATION PLAN
COUNTY MEDICAL SOCIETIES
SUPERVISORY COUNCILS
DIVISION MANAGER
SALES OFFICE
PORTLAND
SALESMEN
SALEM
SALESMEN
SALES RECEPTIONIST
BEDFORD
OFFICE MANAGER
CLERKS
CHIEF ACCOUNTANT
EXECUTIVE ASSISTANT
FILE DEPARTMENT SUPERVISOR
VETERANS' CLAIM CLERK
RECEPTIONIST & MAILINGS DEPARTMENT
MAIL CLERK
CARD BOARD
STENOGRAPHIC DEPARTMENT
INDUSTRIAL NURSES
STATUS UNIT
CLAIMS SUPERVISOR
CASE REPORT UNIT
BILL AUDIT UNIT
PURCHASING AGENT

4713
3281

PRESENT LEGISLATIVE POLICY FORMULATION



PROPOSED ORGANIZATION PLAN

Plaintiff's Exhibit 381

4744 Oregon State Medical Society

PROCEEDINGS OF THE COUNCIL

January 10, 1948

The regular monthly meeting of the Council of the Oregon State Medical Society was held on Saturday, January 10th, at 6:00 P.M., in the Rose Room at the Hotel Benson.

The following members of the Council were present: James C. Hayes, Leslie S. Kent, J. E. Buckley, Max W. Hemingway, J. E. Campbell, Roger H. Keane, Charles P. Wilson, Frank R. Menne, J. Milton Murphy, John P. Cleland, J. V. Straumfjord, R. Wayne Esperson, W. J. Weese, C. Louise Clancy, Charles N. Holman, and Raymond M. McKeown.

Gordon B. Leitch, Harold M. Erickson, D. E. Wiley, Sheldon Dray and Mrs. Henry Garnjobst were also present.

The Executive Secretary and the Associate Executive Secretary were also present.

In the absence of Werner E. Zeller, Secretary, Roger H. Keane was appointed Secretary—Pro-Tem.

President Hayes introduced D. E. Wiley of Hillsboro, President of the Washington County Medical Society.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of December 6th, and to adopt them in the form in which they had been previously supplied to the members.

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Gordon B. Leitch, member of the Committee on Public Policy, reported on the progress of the Committee's activity in inducing physicians to offer themselves as candidates for the 1949 Legislature.

* * * * *

4748 President Hayes announced that, in accordance with the provisions of the Medical Practice Act, three nominations were to be made to Governor John H. Hall for his consideration in making the appointment to the Oregon State Board of Medical Examiners for the five-year term ending on February 28, 1953. Dr. Hayes stated that Wilmot C. Foster was the incumbent. Upon motion duly made and seconded, it was voted to nominate Wilmot C. Foster, Howard P. Lewis, and Karl H. Martzloff of Portland.

* * * * *

Gordon B. Leitch, member of the Board of Directors of the Oregon Physicians' Service, announced that copies of the report of the study of the Oregon Physicians' Service by McKinsey and Company of San Francisco, Management Counselors, were available. Copies of the report were then distributed.

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4749 * * * * *

ROGER H. KEANE
Secretary—Pro-Tem

Plaintiff's Exhibit 382

4750 Oregon State Medical Society

PROCEEDINGS OF THE COUNCIL

February 14, 1948

The regular monthly meeting of the Council of the Oregon State Medical Society was held on Saturday, February 14th, at 6:00 P.M., in the Rose Room at the Hotel Benson.

The following members of the Council were present: James C. Hayes, Stanley Lamb, Leslie S. Kent, James E. Buckley, J. E. Campbell, Blair Holcomb, Charles P. Wilson, Werner E. Zeller, Frank R. Menne, J. Milton Murphy, J. V. Straumfjord, M. E. Corthell, R. Wayne Esperson, C. W. McCain, W. J. Weese, Charles N. Holman, Edward H. McLean, and Raymond M. McKeown.

Robert L. Benson, Gordon B. Leitch, Carl G. Ashley, D. R. Ross, Harold M. Erickson, G. D. Carlyle Thompson, Frank B. Queen, T. A. Kerns, Weldon T. Ross, A. G. Noble, Leo C. Skelley and W. I. Wilbur were also present.

Mrs. Henry Garnjobst, Willard C. Marshall of the Oregon Physicians' Service, the Executive Secretary and the Associate Executive Secretary were also present.

Harry E. Northam of Chicago, Executive Secretary of the Association of American Physicians and Surgeons, was also present.

President Hayes introduced Weldon T. Ross of McMinnville, President of the Yamhill County Medical Society. Dr. Ross introduced A. G. Noble and Leo C. Skelley of McMinnville and W. I. Wilbur of Sheridan, members of the Yamhill County Medical Society.

President Hayes called upon N. E. Corthell, Councilor for the 4th District, who introduced T. A. Kerns of Grants

Pass, President of the Josephine County Medical Society.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of January 10th and to adopt them in the form in which had been previously supplied to the members.

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4751 * * * * *

Weldon T. Ross, President of the Yamhill County Medical Society, outlined a consumer-cooperative prepayment medical and hospital service plan being promoted in McMinnville. A general discussion of the proposed plan, especially in its relation to the Principles of Medical Ethics of the American Medical Association, followed.

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4752 * * * * *

A letter from R.W. Nelson, Secretary of the Northwest Hospital Service Plan, was read. In the letter, Mr. Nelson called attention to the fact that the term of E. H. McLean of Oregon City as one of the three representatives of the Society on the Board of Trustees of the Northwest Hospital Service Plan, was expiring, and requested that nominations be submitted for this office. Upon motion duly made and seconded, it was voted that E. H. McLean be nominated to succeed himself as a representative of the Oregon State Medical Society on the Board of Trustees of the Northwest Hospital Service Plan.

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4753 * * * * *

James E. Buckley, Chairman of the committee appointed to study and make recommendations concerning the group life insurance plan of the Northwestern National Life Insurance Company, reported that the committee had concluded to recommend that this plan be adopted. Upon motion duly made and seconded, it was voted that this recommendation be adopted.

Stanley Lamb, Chairman of the Committee on Public Relations, reported that the Committee had taken the following actions:

1. Authorized the placement of educational exhibits at the Oregon State Fair and the Country Fairs, the exhibit booths to be staffed by members of the Women's Auxiliary.
2. Authorized the offering of a weekly health column to the newspapers of the State.

3. Authorized the establishment of a Speakers' Bureau at Society headquarters through which members will be available for educational talks before lay organizations.

4. Authorized the placement of "Hygeia" in the reception rooms of members engaged in private practice.

Upon motion duly made and seconded, it was voted that these actions be approved.

Gordon B. Leitch, Chairman of the Committee on Public Policy, reported on recent activities of the Committee. He stated that the Oregon State Federation of Professional Societies was being reactivated and that the Oregon Education Association had accepted an invitation to affiliate. He stated that several physicians were considering offering themselves as candidates for the 1949 Legislature. Dr. Leitch stated that the Society's legal counsel had
4754 been directed to prepare a number of bills for possible sponsorship at the 1949 Legislature and that these bills would be presented, a few at a time, at each of a number of the succeeding meetings of the Council.

Edward H. McLean, Delegate to the American Medical Association, reported on the actions taken by the House of Delegates of the American Medical Association, at its Interim Session on January 5-6 at Cleveland.

Dr. McLean also reported on the National Conference of County Medical Society Officers held in connection with the Interim Session of the American Medical Association. He Stated that the discussion revolved around the problems of the general practitioner and that the principal conclusion was that the general practitioner needs opportunity for training and education.

Dr. McLean stated that the scientific meetings at the Interim Session were all held as general sessions and that the program was excellent.

Gordon B. Leitch discussed the employment of Paul R. Hawley, former Chief Medical Director of the Veterans' Administration, as Chief Executive Officer of the Blue Cross Commission of the American Hospital Association and the Associated Medical Care Plans sponsored by the American Medical Association.

There being no further business, the meeting was adjourned.

WERNER E. ZELLER
Secretary

Plaintiff's Exhibit 383

4755 Oregon State Medical Society

PROCEEDINGS OF THE COUNCIL

March 6, 1948

The regular monthly meeting of the Council of the Oregon State Medical Society was held on Saturday, March 6th, at 6:00 P.M., in the Rose Room at the Hotel Benson.

The following members of the Council were present: James C. Hayes, Stanley Lamb, Leslie S. Kent, James E. Buckley, Blair Holcomb, Charles P. Wilson, Werner E. Zeller, J. Milton Murphy, John P. Cleland, J. V. Straumfjord, W. J. Weese, C. Louise Clancy, and John H. Fitzgibbon.

W. W. Baum, Gordon B. Leitch, F. R. Stenzel, Harold M. Erickson, and C. D. Carlyle Thompson were also present.

Mrs. Burton A. Myers, Mrs. Harry B. Moore, and Mrs. Henry Garnjobst were also present.

Willard C. Marshall, Clyde W. Kincaid, and M. G. Haynes of the Oregon Physician's Service, the Executive Secretary, and the Associate Executive Secretary were also present.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of February 14 and to adopt them in the form in which they had been previously supplied to the members.

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4757 Upon motion duly made and seconded, it was voted that this tuberculosis chest clinic program be adopted.

Gordon B. Leitch, member of the Board of Directors of the Oregon Physicians' Service, reported that a subcommittee of a special joint committee from the Associated Medical Care Plans and the Blue Cross Commission had recommended a merger of the two organizations. He stated that the proposed merger would be considered at the Semi-Annual Conference of Blue Cross and Associated Medical Care Plans to be held on March 29 — April 1 in Los Angeles. Dr. Leitch stated that the proposed merger had been informally discussed at the organization meeting of Region 11 of the Associated Medical Care Plans on March 2-3 in San Francisco, from which he had recently returned, and that the representatives of the Western state plans in

attendance were unanimously opposed to the merger and also to the proposal to organize under the auspices of the Blue Cross Commission and the Associated Medical Care Plans to write hospital and medical service insurance for employees of companies whose operations are interstate in scope.

Gordon B. Leitch, Vice-Chairman of the Committee on Public Policy, reported on recent activities of the Committee. He stated that the pre-legislative work of the Committee had become extremely heavy and that it was necessary to employ an individual full-time to assist the Committee. Dr. Leitch stated that the Committee had decided to recommend the employment of Dave Hoss of Salem. Upon motion duly made and seconded, it was voted that effective April 1, 1948 Dave Hoss be employed as an Associate Executive Secretary under the direction of the Executive Secretary at a salary of $500.00 per month.

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4759 Upon motion duly made and seconded, it was voted that James E. Buckley, First Vice-President, and the members of the Committee on State Industrial Affairs be authorized to attend, at the Society's expense, the Northwest Regional Conference sponsored by the Council on Industrial Health and the Council on Medical Service of the American Medical Association on March 20th and 21st at Spokane, Washington, and that they be requested to report on the Conference at the April meeting.

John H. Fitzgibbon expressed the opinion that there should be a small and active Executive Committee to give prior considerations to the questions presented to the Council and thus expedite the transaction of business. Dr. Fitzgibbon moved that an amendment to the By Laws be presented to the House of Delegates at its midyear meeting to provide for an Executive Committee of the Council to consist of five members not selected on a geographical basis which shall meet weekly or bi-weekly in Portland. This motion was seconded.

Charles P. Wilson moved that the motion be amended to provide that the proposed amendment be referred to the Committee on the Revisions of the Constitution and By Laws, that the Committee confer with John H. Fitzgibbon and the Executive Secretary, and submit recommendations to the Council. This motion was seconded and carried.

The original motion, as amended, was then carried.

There being no further business, the meeting was adjourned.

WERNER E. ZELLER
Secretary

Plaintiff's Exhibit 384

4760 Oregon State Medical Society

PROCEEDINGS OF THE COUNCIL

April 3, 1948

The regular monthly meeting of the Council of the Oregon State Medical Society was held on Saturday, April 3rd, at 6:00 P.M., in the Rose Room at the Hotel Benson.

The following members of the Council were present: James C. Hayes, Stanley Lamb, Leslie S. Kent, James E. Buckley, J. E. Campbell, Blair Holcomb, Charles P. Wilson, Werner E. Zeller, J. Milton Murphy, John P. Cleland, J. V. Straumfjord, R. Wayne Esperson, C. W. McCain, W. J. Weese, Charles N. Holman, Edward H. McLean, and Raymond M. McKeown.

Harold M. Erickson and Matthew McKirdie were also present.

Mrs. Burton A. Myers, Mrs. Harry B. Moore, and Mrs. Henry Garnjobst were also present.

Clyde C. Foley, Executive Secretary, and Roscoe K. Miller, Associate Executive Secretary, were also present.

Upon motion duty made and seconded, it was voted to dispense with the reading of the minutes of March 6th and to adopt them in the form in which they had been previously supplied to the members.

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A letter from Robert L. Benson was read. In the letter, Dr. Benson submitted his resignation as Chairman of the Committee on Public Policy, stating that other activities were consuming so much of his time that he could not serve effectively.

4761 * * * * *

J. Milton Murphy reported on the Northwest Regional Conference of the Council on Medical Service and the Council in Industrial Health of the American Medical Association on March 20-21 at Spokane.

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Plaintiff's Exhibit 385

4764 Oregon State Medical Society

PROCEEDINGS OF THE COUNCIL

June 12, 1948

The regular monthly meeting of the Council of the Oregon State Medical Society was held on Saturday, June 12th, at 6:00 P.M., in the Tyrolean Room at the Hotel Benson.

The following members of the Council were present: James C. Hayes, Stanley Lamb, Leslie S. Kent, James E. Buckley, Blair Holcomb, Charles P. Wilson, Werner E. Zeller, J. Milton Murphy, John P. Cleland, Henry Garnjobst, R. Wayne Esperson, Charles N. Holman, and John H. Fitzgibbon.

Gordon B. Leitch, Franz R. Stenzel, Carl G. Ashley, and Harold M. Erickson were also present.

Clyde C. Foley, Executive Secretary; Roscoe K. Miller, Associate Executive Secretary; and Dave Hoss, Associate Executive Secretary, were also present.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of April 3rd, and to adopt them in the form in which they had been previously supplied to the members.

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President Hayes announced that in accordance with the provisions of the Medical Practice Act, three nominations were to be made to Governor John H. Hall for his consideration in filling the vacancy on the Oregon State Board of Medical Examiners for the unexpired term ending February 28, 1951, created by the resignation of Carl G. Patterson of Baker. Upon motion duly made and seconded, it was voted to nominate Roger Biswell of Baker, Edwin G. Kirby of La Grande, and Charles E. Palmer of Ontario.

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Stanley Lamb, Chairman of the Committee on Public Relations, outlined recent activities of the Committee.

Gordon B. Leitch, member of the Committee on Public Policy, reported on the distribution of the transcript of Governor Thomas E. Dewey's talk before the mid-year

meeting of the House of Delegates and the electrical transcriptions of this talk, as directed by the House of Delegates.

Dr. Leitch reported that the Oregon Physicians' Service and the other prepayment medical care plans sponsored by the other Western state medical associations were considering the establishment of a regional organization, possibly independent of the Associated Medical Care Plans, to facilitate the joint consideration of common problems.

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WERNER E. ZELLER
Secretary

Plaintiff's Exhibit 386

4767 Oregon State Medical Society

PROCEEDINGS OF THE COUNCIL

July 10, 1948

The regular monthly meeting of the Council of the Oregon State Medical Society was held on Saturday, July 10th, at 6:00 P.M., in the Rose Room at the Hotel Benson.

The following members of the Council were present: James C. Hayes, Leslie S. Kent, James E. Buckley, Max W. Hemingway, Blair Holcomb, Charles P. Wilson, Werner E. Zeller, J. Milton Murphy, J. V. Straumfjord, Henry Garnjobst, Charles N. Holman, Edward H. McLean, and Raymond M. McKeown.

Gordon B. Leitch, W. W. Baum, Robert W. Kullberg, Stanard R. Gillespie, and E. L. Gardner were also present.

Mrs. Harry B. Moore and Mrs. Henry Garnjobst were also present.

John J. Coughlin, Legal Counsel; Clyde C. Foley, Executive Secretary; Roscoe K. Miller, Associate Executive Secretary; and Dave Hoss, Associate Executive Secretary; were also present.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of June 12th and to adopt them in the form in which they had been previously supplied to the members.

Bills for June were read and approved.

A letter from John J. Coughlin, Legal Counsel was read. In the letter, Mr. Coughlin set forth the situation in which an osteopath had sought to induce the Wallowa County

Court to change the rules and regulations of the Wallowa County Hospital to permit an osteopath to practice in the hospital. He also outlined the participation of J. L. Ingle, osteopathic member of the Oregon State Board of Medical Examiners, in support of this effort. Mr. Coughlin further set forth the events of a meeting of the Advisory Board of the Wallowa County Hospital, which includes the members of the County Court as ex-officio members, at which W. J. Weese of Ontario, Councilor for the 7th District of the Society, C. L. Gilstrap of La Grande, and himself, at the request of the Wallowa County physicians, presented the arguments against permitting an osteopath to practice in the hospital, and reported that the petition to make this change was denied. Mr. Coughlin made the following recommendations:

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Gordon B. Leitch, whom President James C. Hayes designated to represent the Society at the meeting of state medical society Presidents and other representatives called by the Council on Medical Service of the American Medical Association on June 19th in Chicago, reported that the following recommendations were adopted at the meeting:

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Dr. Leitch reported that a Western States Conference of Medical Service Plans to include the society approved plans of the States Washington, Oregon, California, Wyoming, Colorado, Nevada, Idaho, New Mexico, Montana, Utah, Arizona, and the Territories of Hawaii and Alaska, had been organized during the Chicago Session of the American Medical Association. He stated that participation in the Conference by the various medical service plans was contingent upon the approval of the respective state and territorial medical assocations. Dr. Leitch asked for approval of the affiliation of the Oregon Physicians' Service with the Conference. Upon motion duly made and seconded, it was voted that the question of participation by the Oregon Physicians' Service in the Western States Conference of Medical Service Plans be laid upon the table for three months.

Edward H. McLean reported on the Third National Conference of County Medical Society Officers held on June 20th in Chicago.

Edward H. McLean and Raymond M. McKeown, Delegates to the American Medical Association, reported the

actions taken by the House of Delegates at its annual session on June 21-25 in Chicago.

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Gordon B. Leitch, Chairman of the Committee on Public Policy, outlined a number of bills under consideration for sponsorship at the 1949 Legislature.

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WERNER E. ZELLER
Secretary

Plaintiff's Exhibit 387

4771 Oregon State Medical Society

PROCEEDINGS OF THE COUNCIL

October 16, 1948

The regular monthly meeting of the Council of the Oregon State Medical Society was held on Saturday, October 16th, at 6:00 P.M., in the Tyrolean Room at the Hotel Benson.

The following members of the Council were present: Leslie S. Kent, James C. Hayes, James E. Buckley, J. E. Campbell, Edwin G. Kirby, Blair Holcomb, Werner E. Zeller, A. O. Pitman, J. V. Straumfjord, Henry Garnjobst, R. Wayne Esperson, Leo V. Moore, Marion Reed East, Charles N. Holman, Edward H. McLean, and Raymond M. McKeown.

Gordon B. Leitch, Stanley Lamb, Elizabeth E. Bishop, and Claymore H. Gavin were also present.

Mrs. Harry B. Moore and Mrs. Henry Garnjobst were also present.

Fred V. Hein, Consultant in Health and Fitness of the Bureau of Health Education of the American Medical Association, was also present.

Willard C. Marshall of the Oregon Physicians' Service, Clyde C. Foley, Executive Secretary; Roscoe K. Miller, Associate Executive Secretary; and Dave Hoss, Associate Executive Secretary; were also present.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of August 7th and to adopt them in the form in which they had been previously supplied to the members.

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4773 President Kent announced that a member of the Executive Committee was to be elected for the unexpired term ending in 1949, in place of Roger H. Keane, former Treasurer. A. O. Pitman was unanimously elected.

* * * * * *

Gordon B. Leitch, member of the Board of Directors of the Oregon Physicians' Service, reported that the Board was considering another promotional program of newspaper and radio announcements similar to the program of last year, but that the Board had not yet decided the exact amount that should be budgeted for this purpose. Upon motion duly made and seconded, it was voted that the promotional program of newspaper and radio announcements of the Oregon Physicians' Service for the past year and a continuation of this program for the coming year be endorsed.

Willard C. Marshall, General Manager of the Oregon Physicians' Service, reported on the Western Conference of Medical Service Plans held on September 18-19, at Reno, Nevada.

Gordon B. Leitch discussed the proposals for the Blue Cross-Blue Shield Association and the Blue Cross-Blue Shield Health Service, Inc., to be considered at the meetings of the Blue Cross and Blue Shield Plans on October 25-28, at French Lick, Indiana. Upon motion duly made and seconded, it was voted that the action of the House of Delegates at its mid-year meeting on May 1, in expressing opposition to the proposed merger of the Associated Medical Care Plans and the Blue Cross Commission and to the organization of a national insurance company be reaffirmed.

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4774 WERNER E. ZELLER
Secretary

Plaintiff's Exhibit 388

4775 OREGON PHYSICIANS' SERVICE

Meeting of Board of Directors

Portland, Oregon, June 6, 1942

The meeting was held at 5:00 P.M. at the Mallory Hotel and was called to order by the Secretary, L. M. Spalding, in the absence of the President and Vice-President.

Previously elected directors present were L. M. Spalding and G. I. Hurley. D. R. Ross also was present, having been elected as a new director at the special meeting of stockholders immediately preceding this meeting.

Due notice of the meeting of the Board of Directors was presented and recorded. Inasmuch as the President and Vice-President were not present at the meeting, G. I. Hurley was nominated and duly elected as Chairman protem of the meeting.

The oath of office was duly administered to D. R. Ross and is affixed in this minute book next hereto.

Minutes of the first meeting of the Board of Directors held on January 11, 1942 were read and approved as read.

A letter from W. W. Baum tendering resignation as President of Oregon Physicians' Service was read and said resignation was duly accepted by motion carried.

Nominations were opened to elect a new President to fill the unexpired term of W. W. Baum. D. R. Ross was duly nominated, nominations were closed and a motion was carried to the effect that the Secretary be instructed to cast a unanimous ballot for D. R. Ross. D. R. Ross was duly inducted as President and assumed the Chairmanship of the meeting.

Nominations were opened to elect a member of the Executive Committee to fill the unexpired term of W. W. Baum. D. R. Ross was duly nominated, nominations were closed and a motion was carried to the effect that the Secretary be instructed to cast a unanimous ballot for

4776 D. R. Ross.

A letter from the Oregon State Medical Society was read to the effect that the Council of said Society has approved an amendment to the By-Laws of Oregon Physicians' Service to provide that a physician may hold more than one share of Class AA stock. Said letter is filed next hereto in this book.

Four motions were duly made, seconded and unanimously carried, said motions being affixed to this minute book next hereto.

Supplementary Articles of Incorporation of Oregon Physicians' Service were read and were adopted by motion duly made, seconded and carried unanimously. Said Supplementary Articles are attached to this Minute Book next hereto.

The following motion was duly made, seconded and unanimously carried:

RESOLVED, that each physician eligible to OPS membership and located in an incorporated municipality of 1,000 population or more shall be requested to subscribe for OPS Class AA Stock in the amount of $50.00 and that each physician eligible to OPS membership and located in a community of less than 1,000 population shall be requested to subscribe for OPS Class AA Stock in the amount of $25.00. Further, that this stipulation shall constitute a policy of OPS but may be amended by action of the Board of Directors from time to time so that temporary situations may be accommodated.

After discussion the following motion was made, seconded and unanimously carried:

RESOLVED, that the amalgamation into OPS of any local medical service bureau requesting such action shall be based on the following stipulations as an ultimate goal:

1. The prior voting stockholding or partnership interest of any stockholder or partner of the amalgamated bureau shall be purchased to the extent of 4777 $50.00 by the issuance of OPS class AA stock in that amount.

2. By advance agreement the excess of assets of any amalgamated bureau over and above $50.00 per voting stockholder or partner, shall be liquidated over the period of one year from the effective date of such agreement and each prior stockholder or partner shall be entitled to his pro rata share of the liquidated assets at the end of said year as full satisfaction of his interest in the previously existing bureau.

3. A liquidation trustee shall be duly appointed to execute such liquidation proceedings.

4. For transfer or liquidation purposes, the furniture, fixtures and equipment of the amalgamated bureau

shall be evaluated at not more than the depreciated book value thereof and the medicines and supplies shall be evaluated at not more than cost price.

5. A Committee of three consisting of the OPS auditor, an auditor to be designated by the amalgamated bureau and a third party to be selected by the other two, shall determine all other evaluations required by the amalgamation proceedings.

6. All procedures shall be determined in advance by a written agreement between OPS and the amalgamated bureau.

7. Amalgamation on a different basis may be effected by approval of the Board of Directors of OPS but the stockholding requirements of such amalgamation shall be made to conform to the standards set forth herein not later than two years after the effective date of such amalgamation.

A letter from the Council of the Oregon State Medical Society was read to the effect that the authorization of any plan for the offering to employes of the Oregon Shipbuilding Corporation and the Kaiser Company, Inc. of medical service contract arrangements shall be left for the determination of the Multnomah County Medical Society. Said letter is attached in this minute book
4778 next hereto.

A letter from the Council of the Multnomah County Medical Society was read to the effect that said Council has voted to authorize Oregon Physicians' Service to enter into contracts with the Oregon Shipbuilding Corporation and the Kaiser Company, Inc. to provide medical service to their employes for non-occupational sickness and injury. Said letter is attached in this minute book next hereto.

Oregon Physicians' Service contracts proposed for the Oregon Shipbuilding Corporation and the Kaiser Company, Inc. Swan Island Yard were reviewed and the prospective writing of such contracts was approved by motion duly carried.

After discussion a motion was duly carried that the management shall be authorized to open an administrative office at Portland in the event that contracts are entered into with the Oregon Shipbuilding Corporation and the Kaiser Company, Inc.

Discussion ensued with reference to the policy of Oregon Physicians' Service towards the standard of rates to be charged to subscribers under full coverage and limited coverage contracts. The following motion was duly made, seconded and carried:

RESOLVED, that it shall be a policy of OPS to enter into group full coverage contracts at rates not less than $2.50 per month per subscriber and group seasonal coverage limited contracts at rates not less than $.45 per week per subscriber, excepting that the Board of Directors may authorize different rates in certain areas where different rates commonly are in general use by the various medical contractors.

The financial statement of June 6, 1942 was reviewed and ordered filed.

All disbursements listed on said statement were approved by motion duly carried.

Discussion ensued with reference to the determination of compensation and expense arrangements for
4779 administrative personnel. It was agreed informally that this matter shall be deferred temporarily until a subsequent meeting of the Board of Directors when more Directors are in attendance.

The management reported that a blanket position fidelity bond had been obtained for Oregon Physicians' Service to cover all personnel.

The following resolution was adopted by motion made, seconded and carried:

BE IT RESOLVED, that the United States National Bank of Portland (Oregon) at its Salem Branch, be and it hereby is designated as the banking depository of this corporation, and that checks on the company's account shall be signed by two signatures.

D. R. Ross Name	President Title
J. P. Brennan Name	Vice-President Title
G. I. Hurley Name	Treasurer Title
W. C. Marshall Name	General Manager Title

J. R. Caughell Name	State Supervisor Title
L. M. Mattson Name	Office Manager Title

All previous signature authorizations are hereby revoked.

Upon call from the Chair for consideration of any unfinished business or new business, no additional business was presented. Upon motion duly carried the meeting adjourned.

(Signed) L. M. SPALDING
Secretary

Plaintiff's Exhibit 389

4780 September 11, 1942

Oregon State Medical Society
Medical Dental Building
Portland, Oregon

Attention: Mr. Clyde C. Foley,
Executive Secretary

Gentlemen:

At a meeting of the Central Oregon Medical Society held on this date it was voted formally that Oregon Physicians' Service be given official approval and be invited to enter into operations in the area of Deschutes, Crook, and Jefferson Counties.

You may consider this letter as official notification from the District Society.

Sincerely yours,

Central Oregon Medical Service

(Signed) J. C. VANDEVERT
J. C. Vandevert, M.D., Secretary

Plaintiff's Exhibit 390

4781 OREGON PHYSICIANS' SERVICE

Annual Meeting of Class "A" Stockholders

Portland, Oregon, September 14, 1942

The meeting was held at 1:30 P.M. at the Multnomah Hotel and was called to order by the President, D. R. Ross. Stockholders present were as follows: J. D. Rankin, H. Garnjobst, D. R. Ross, L. M. Spalding, Thompson Coberth and J. P. Brennan. Proxies received from Roderick Belknap and George I. Hurley were duly presented and recorded.

Due notice of the annual meeting of stockholders was presented and recorded.

Minutes of the special stockholders' meeting of June 6, 1942 were read and were approved as read with the exception that the word "charged" on line seventeen of page four of the secondary minutes of the meeting was changed to the word "credited" by motion duly carried.

The stipulated reports of the President and Secretary were dispensed with by mutual consent.

In the absence of the Treasurer, George I. Hurley, the financial statement of Oregon Physicians' Service as of August 31, 1942 was rendered by Mr. Edward Ruby, Oregon Physicians' Service auditor for the Portland Division.

After discussion a motion was duly carried that the financial statement of August 31, 1942 shall be approved and ordered filed.

Mr. W. C. Marshall rendered the General Manager's report, explaining the progress of Oregon Physicians' Service up to this date.

4782 A communication from the Council of the Oregon State Medical Society was read to the effect that Earl M. Anderson has resigned as a Class A stockholder due to the fact that he has entered the armed forces.

A motion was duly carried that the resignation of Earl Anderson be accepted.

Another communication from the Council of the Oregon State Medical Society was read to the effect that George E. Henton has been nominated by said Council to replace Earl Anderson as a Class "A" stockholder in Oregon Physicians' Service. On motion duly made said nomination was accepted unanimously and George E. Henton was duly elected a Class "A" stockholder of Oregon Physicians' Service.

Nominations were opened for the election of five members of the Board of Directors for the ensuing year. Individual nominations were duly made for Directors for the ensuing year of the following: D. R. Ross, J. P. Brennan, L. M. Spalding, George I. Hurley, Thompson Coberth.

A motion was duly carried that nominations be closed and that the Secretary be instructed to cast individual unanimous ballots for the five named nominees, with election by unanimous vote resulting.

Upon call from the chair for consideration of any unfinished business or new business, no additional business was presented.

Upon motion duly carried the meeting was adjourned.

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Secretary

Plaintiff's Exhibit 391

4783 OREGON PHYSICIANS' SERVICE

Organization Meeting of Board of Directors

Portland, Oregon, September 14, 1942

The meeting was held at 3:30 P.M. in the Multnomah Hotel in Portland. Directors present were: D. R. Ross, J. P. Brennan, L. M. Spalding and Thompson Coberth.

Other professional members and administrative personnel were present by request of the Board of Directors.

Upon motion made by L. M. Spalding and seconded by Thompson Coberth, D. R. Ross was duly named temporary chairman of the meeting.

Upon motion made by Thompson Coberth and seconded by J. P. Brennan, L. M. Spalding was named temporary secretary of the meeting.

The meeting was called to order by the temporary chairman, D. R. Ross.

Due notice of meeting was filed.

Minutes of the Board of Directors meeting of July 18, 1942 were read and approved as read.

Nominations were opened for the office of President for the ensuing year.

D. R. Ross was nominated and a motion was duly carried that nominations be closed and the Secretary be instructed to cast a unanimous ballot for D. R. Ross as President for the ensuing year.

Nominations were opened for the office of Vice-President for the ensuing year. Thompson Coberth was nominated and a motion was duly carried that nominations be closed and the Secretary be instructed to cast a unanimous ballot for Thompson Coberth as Vice-President for the ensuing year.

4784 Nominations were opened for the office of Secretary for the ensuing year. L. M. Spalding was nominated and a motion was carried that nominations be closed and the Secretary be instructed to cast a unanimous ballot for L. M. Spalding as Secretary for the ensuing year.

Nominations were opened for the office of Treasurer for the ensuing year. George I. Hurley was nominated and a motion was carried that nominations be closed and the Secretary be instructed to cast a unanimous ballot for George I. Hurley as Treasurer for the ensuing year.

Nominations were opened for two positions on the Executive Committee for the ensuing year, it being noted that the By-Laws provide for automatic membership on the Executive Committee of the President, D. R. Ross.

Thompson Coberth and L. M. Spalding were nominated in due form and a motion was carried that nominations be closed and the Secretary be instructed to cast individual unanimous ballots for Thompson Coberth and L. M. Spalding as Executive Committee members for the ensuing year.

The review of financial statements of August 31, 1942 was dispensed with inasmuch as these statements had been thoroughly considered and approved at the annual meeting of Class "A" stockholders immediately preceding the Board of Directors meeting.

The quarterly financial statement covering June, July and August, 1942 for the Snake River Rural Health Association was reviewed and ordered filed.

Upon request, W. C. Marshall explained the operations of the Rural Health Service program in the Snake River district.

The division agreement between physicians of Jackson County, Oregon and Oregon Physicians' Service was reviewed.

4785 After discussion a motion was duly carried that the execution of this agreement be approved.

Recent action of the Clatsop County Medical Society in requesting that Oregon Physicians' Service commence operations in the Clatsop County area was explained. It was noted that current action in this regard is merely the

result of action previously taken by the Clatsop County Medical Society.

A letter from the Central Oregon Medical Society addressed to the Oregon State Medical Society was read to the effect that Oregon Physicians' Service is given approval and is invited to enter into operations in the area of Deschutes, Crook and Jefferson Counties. This request was accepted and the desired action approved by motion duly carried.

A communication dated July 25, 1942 from the Multnomah County Medical Society Supervisory Committee of Oregon Physicians' Service was read and is filed in this Minute Book next hereto. The Committee's recommendation No. 1 was read as folows: "Recommended to the Council of the Society and the Board of Directors of the Oregon Physicians' Service that all reference to the supplying of hospital accommodations and service be deleted from the Memorandum of Understanding entered into between the Oregon Physicians' Service and the Council of the Multnomah County Medical Society on June 7, 1942."

After discussion it was agreed informally that this recommendation first should be referred for action to the Council of the Multnomah County Medical Society prior to the taking of any action by the Board of Directors of Oregon Physicians' Service.

The Committee's No. 2 recommendation was read as follows: "Approved the Agreement between Oregon Physicians' Service and the Multnomah Medical Service Bureau for the joint use of the office facilities and staff of the Bureau for the Portland divisional office of the Oregon Physician's Service, the expense to be prorated between the two organizations on an equitable basis."

4786

A motion was duly carried that this recommendation be accepted as confirmation of prior action by the Board of Directors of Oregon Physicians' Service.

The Committee's No. 3 recommendation was read as follows: "Recommended to the Council of the Society and the Board of Directors of the Oregon Physicians' Service that the physicians in Multnomah County who are eligible to render and who have agreed to render services to subscribers of the Oregon Physicians' Service be listed in pamphlets for the information of subscribers in one single alphabetic list, except in the case of the following specialties: A. Diseases of the Eye. B. Diseases of the Ear, Nose and Throat. C. Diseases of the Eye, Ear, Nose and

Throat. D. Neuropsychiatry. E. Neuro-surgery. F. Plastic and Reconstructive Surgery. G. Diseases of the Skin."

A motion was duly carried that this recommendation shall be approved and that the stated pamphlets be issued as soon as practicable.

The Committee's No. 4 recommendation was read as follows: "Approved the Agreement between the Oregon Physicians' Service and the Oregon State Industrial Accident Commission concerning first aid facilities and personnel at the Oregon Shipbuilding Corporation and the Kaiser Company, Inc. Swan Island Shipyard."

The Committee's approval was duly noted, no additional action being required.

The Committee's No. 5 recommendation was read as follows: "Recommended to the Board of Directors of the Oregon Physicians' Service that the Supervisory Committee of the Multnomah County Medical Society assume the medical direction of the Service in Multnomah County."

4787 A motion was duly carried that the Committee's recommendation be followed in this respect.

The Committee's No. 6 recommendation was read as follows: "Voted to inform the Board of Directors of the Oregon Physicians' Service that many members of the Multnomah County Medical Society do not approve any plan of compensation for the administrative staff of any professionally-owned medical service bureau which is based on a proportion of the receipts of the organization, as recently adopted by the Board of Directors, for which reason the Committee believes it is impolitic to continue this plan of compensation. The Committee recognizes that its duties are limited to recommending principals; nevertheless the Committee thinks that, after having reported critically regarding this plan of compensation, it may not be inappropriate for it to offer some concrete alternative plan that the Board of Directors might consider to replace the existing plan. Therefore the Committee suggests that the administrative staff be compensated approximately on the following flat salary basis as a working arrangement for the first year's operations, at the end of which time, the Board of Directors can reconsider the compensation of the administration staff and make such adjustments as the Board deems proper under then existing conditions:

General Manager	$750.00 per month
Claims Supervisor	600.00 per month
Public Relations Manager	400.00 per month

After consideration a motion was duly carried that the recommendations of the Committee shall be adopted and the named personnel shall be compensated at the rates stated beginning with the dates specified in the minutes of the Board of Directors meeting of July 18, 1942.

A Memorandum of Agreement for the joint use of facilities at 337 Pittock Block by Oregon Physicians' Service and the Multnomah Medical Service Bureau was read and approved by motion duly carried.

4788 The General Manager was duly authorized thereby to enter into said agreement in due course.

Prior communications and discussions with the Oregon State Dental Association were explained and a proposed dental fee schedule issued by said Association was reviewed. It was agreed informally that the proposed dental fee schedule should be considered by the Liaison Committee to the Oregon State Dental Association prior to the taking of any additional action by the Board of Directors.

A report on the status of contracts held with the Oregon Shipbuilding Corporation and the Kaiser Company, Inc. Portland Shipyard was rendered and it was agreed informally that statements referring to the volume of first aid treatments rendered at the two shipyards by Oregon Physicians' Service should be considered by the Multnomah County Supervisory Committee for purposes of determination.

It was explained that medical fee payments for the first quarter of the Oregon Physicians' Service operations probably will be made at the current schedule utilized by the State Industrial Accident Commission and that the Industrial Affairs Committee of the Oregon State Medical Society is in the process of prepaying a revised schedule which may be utilized by Oregon Physicians' Service later.

These proposals were approved by motion duly carried.

Several statements were made to the effect that Oregon Physicians' Service continually requires considerable assistance from Mr. Clyde C. Foley, Executive Secretary of the Oregon State Medical Society. It was suggested that Oregon Physicians' Service should make remuneration for a portion of Mr. Foley's services and a motion was

4789 carried that the General Manager shall be authorized to consult with the Special Committee of the Oregon State Medical Society, consisting of Dr. Thomas D. Robertson and Dr. J. E. Buckley, for the purpose of

arranging for such remuneration in a proper manner and at an agreed level.

Upon call for the President for consideration of unfinished or new business, no additional business was presented.

By motion duly carried the meeting adjourned.

(Signed) L. M. SPALDING
Secretary

Plaintiff's Exhibit 392

4790 MEMORANDUM OF AGREEMENT

Pursuant to authorization granted by the Board of Directors of the Physicians and Surgeons Hospital Association, hereinafter referred to as the Association, and by the Board of Directors of Oregon Physicians' Service, hereinafter referred to as O.P.S., for joint use of the physical plant of the Association, the following general conditions and understandings agreed upon by and between the two organizations shall be considered as effective on and after June 1, 1942.

1. That the activities of O.P.S. in the writing of contracts in Marion County shall be subject at all times to advance approval by formal action of the Marion-Polk County Medical Society and by the Board of Directors of the Association.

2. That the Association will grant to O.P.S. the joint use of the office and facilities of the Association including such equipment as is adaptable to joint use and including its personnel.

3. That any equipment, supplies or employes that are used exclusively for either the Association or for O.P.S. shall be the sole responsibility of the agency that purchases the equipment or supplies or that hires the said employe or employes.

4. That office furniture and equipment used jointly by the two agencies shall be and remain the property of the Association.

5. That the employes of the office used jointly by the two agencies shall be the employes of the Association.

6. That first aid or other supplies issued from the stores of the Association for use by O.P.S. shall be carefully tabulated by the supply clerk and the Association shall be reimbursed by O.P.S. for their reasonable value.

7. That for use of the plant, supplies and personnel of the Association which are jointly utilized by the two agencies, the overhead cost shall be divided in the proportion that the total income of the Association and of O.P.S. bears to the incomes of both agencies in Marion County and areas served by the office of the Association.

8. That if either the Association or O.P.S. should desire to terminate the arrangements specified in this Memorandum of Agreement, the agency desiring such termination may do so upon serving thirty days notice in writing to the other party.

9. That as rental for the equipment of the Association O.P.S. shall pay to the Association monthly an amount sufficient to amortize ten percent annually up to eighty percent of the currently depreciated value of the involved equipment during the time said equipment is used by O.P.S., and such equipment shall remain the property of the Association.

Dated November 6, 1942

PHYSICIANS AND SURGEONS
HOSPITAL ASSOCIATION

(Signed) L. O. CLEMENT
Vice-President

(Signed) BURTON A. MYERS
Secretary

OREGON PHYSICIANS' SERVICE

(Signed) W. C. MARSHALL
General Manager

Plaintiff's Exhibit 393

4791 PHYSICIANS AND SURGEONS
HOSPITAL ASSOCIATION

Special Meeting of Stockholders

RESOLUTION

Salem, Oregon, November 18, 1942

The Stockholders and Voting Trustees of the Physicians and Surgeons Hospital Association hereby resolve:

1. That the operations of the Physicians and Surgeons Hospital Association shall be merged with Oregon Physicians' Service effective January 1, 1943.

2. That all current Association contracts expiring on December 31, 1942 shall be renewed with O.P.S. contracts effective January 1, 1943 and that all other Association contracts shall be assigned to O.P.S. effective January 1, 1943.

3. That O.P.S. shall render a warranty of service fulfillment to each prior holder of an Association contract, said warranty to be effective on January 1, 1943.

4. That O.P.S. shall file with the State Insurance Department effective January 1, 1943 a warranty stating that previously incurred but unexpired service obligations of the Association will be fulfilled by O.P.S. This procedure will enable the State Insurance Department to release the Association's performance bond after due clearance.

5. That all furniture, fixtures, equipment and supplies owned by the Association shall be sold to O.P.S. at an appraisal price to be determined by an appraiser or appraisers to be agreed upon by the Boards of Directors of both organizations.

6. That after the liquidation of all assets and after the payment of all claims the Association shall retire each outstanding debenture note of the As-
4792 sociation at the rate of $500.00 plus stipulated interest to the date of payment and shall redeem each share of Association common stock at the rate of $100.00 together with the amount, if any, by which the then book value of said share exceeds $100.00.

7. That after all liquidation proceedings have been completed necessary steps shall be taken to effect dissolution of the Association's corporate entity at the earliest possible date.

8. That the Board of Directors of the Association shall be instructed and empowered hereby to take any and all actions necessary to carry out the stipulations contained in this resolution.

IN WITNESS WHEREOF, The undersigned Voting Trustees have evidenced their assent to this Resolution by subscribing their names hereto, and that the individual signatures hereto express the assent of each of said persons, both as a Stockholder and as a Voting Trustee, to the terms of this Resolution.

Plaintiff's Exhibit 394

4793 YAMHILL COUNTY MEDICAL SOCIETY

McMinnville, Oregon

December 16, 1942

Oregon State Medical Society
Portland, Oregon

Dear Sirs:

On December 1st, 1942 the Yamhill County Medical Society went on record as approving the work of the Oregon Physicians' Service.

Yours truly,

(Signed) W. T. EDMUNSON, M.D.
Secretary

4794 YAMHILL COUNTY MEDICAL SOCIETY

McMinnville, Oregon

Newberg, Oregon
October 17, 1942

Mr. Willard C. Marshall
Physicians and Surgeons Hospital Association
and
Oregon Physicians Service
Salem, Oregon

Dear Sir:

The Yamhill County Medical Society passed three motions at their last regular meeting on October 6, 1942. These motions indicated that the Society was entirely satisfied with the work of P. & S. However, then approved the work of O.P.S. and rather favored fusion of the two organizations. In the event that P. & S. joined O.P.S., Yamhill County Society would probably maintain its separate pool of cases, as they have done under P. & S.

Yours very truly,

(Signed) W. T. EDMUNDSON, M.D.
Sec'y., Yamhill Co. Med. Soc.

Plaintiff's Exhibit 395

4795 OREGON PHYSICIANS' SERVICE

Meeting of Board of Directors

Portland, Oregon, December 19, 1942

The meeting was held at 4:30 P.M. in the Mallory Hotel in Portland and was called to order by the President D. R. Ross. Directors present were: D. R. Ross, Thompson Coberth, L. M. Spalding, George I. Hurley, and J. P. Brennan.

Members of the Multnomah County Supervisory Committee of Oregon Physicians' Service were present by request of the Board of Directors, as follows: Richard B. Adams, J. E. Buckley, Thomas M. Joyce and Vernon J. Brown. George E. Henton was present by request.

Administrative personnel also were present by request of the Board.

Due notice of meeting was filed.

Minutes of the Board of Directors meeting of September 14, 1942 were read and approved as read.

A communication dated October 31, 1942 from the Multnomah County Medical Society Supervisory Committee of Oregon Physicians' Service was read and is filed in this Minute Book next hereto. The Committee's recommendation No. 1 was read as follows:

"Approve the fee schedule for Physicians' services submitted by the Committee on fee schedules of the Oregon State Medical Society, with the understanding that this schedule be subject to revision in accordance with the experience."

After discussion it was agreed informally that the Supervisory Committee previously had been empowered to place in effect a proper fee schedule for use in Multnomah County and that the Committee's recommendation is entirely in order without further Board action.

The Committee's No. 2 recommendation was read as follows: "Approve the fee schedule for dental services submitted by the Oregon State Dental Association, with the understanding that cooperating dentists will accept payment on the same pro rata basis as cooperating physicians, if unforeseen epidemics make such payments necessary."

4796

Inasmuch as the Supervisory Committee has previously been authorized to establish fee schedules for use in Multnomah County, it was agreed informally that the recommendation is entirely in order and shall be confirmed.

The Committee's No. 3 recommendation was read as follows: "Recommended to the Board of Directors of Oregon Physicians' Service that Mr. Clarence J. Young be retained as Legal Counsel."

A motion was duly carried that Mr. Clarence J. Young be retained as Legal Counsel on a basis to be arranged by the management.

The Committee's No. 4 recommendation was read as follows: "Recommended to the Board of Directors of Oregon Physicians' Service that Mr. Clyde C. Foley, Executive-Secretary of the Oregon State Medical Society, be employed on a part time basis at a salary of $150.00 per month, effective as of August 1, 1942."

In this connection a communication dated October 5, 1942 from the Oregon State Medical Society written by Thomas D. Robertson, Secretary, was read as follows:

"The Council of the Oregon State Medical Society, at its meeting on October 3, 1942, discussed the extensive use of the Society's personnel, supplies and equipment by Oregon Physicians' Service in connection with its organization and operation. The Council voted to ask Oregon Physicians' Service to cooperate in a suitable plan to reimburse the Society for this use of its personnel, supplies and equipment. It was the Council's suggestion that this reimbursement be in the amount of $150.00 per month, effective as of July 1, 1942."

After discussion and after agreement on the part of members of the Multnomah County Supervisory Committee that the recommendations of the Oregon State Medical Society should be followed, a motion was
4797 duly carried that reimbursement be made to the Oregon State Medical Society in the amount of $150.00 per month, effective as of July 1, 1942.

The Committee's No. 5 recommendation was read as follows: "Suggested to the Board of Directors of Oregon Physicians' Service that the provisions of the contract providing for hospital service be amended by adding an alternative clause to provide that the subscribed shall obtain hospital service on his own responsibility for which he shall be reimbursed on the basis of a fixed per diem rate."

After discussion it was agreed informally that the possibility of adding an alternative hospitalization clause to contracts of Oregon Physicians' Service shall be given study from all standpoints and that a report on this subject shall be furnished at a later date for possible action.

The Committee's No. 6 recommendation we read as follows: "Recommended to the Board of Directors of Oregon Physicians' Service that the Service contribute a sum not to exceed $1,000.00 toward the compensation of the lay and nursing personnel for the proposed clinic at Vanport City for the care of war industrial workers."

After consideration a motion was duly carried that Oregon Physicians' Service shall contribute a sum not to exceed $1,000.00 from Multnomah County Division funds for the purpose recommended at Vanport City, in the event that the definite need for same actually shall materialize.

A communication dated December 19, 1942 from the Oregon Physicians' Service Supervisory Committee for Multnomah County was read, including the following recommendations:

"Recommended to the Board of Directors of Oregon Physicians' Service that the Service, in cooperation with the Oregon State Industrial Accident Commission, undertake the operation of the first aid dispensary established in connection with the barracks for single men at the Kaiser Company, Inc., Swan Island Division."

After discussion a motion was duly carried that
4798 the above recommendation be adopted by the Board of Directors and that the proposed operations in connection with the Swan Island Shipyards barracks be conducted within reasonable limits.

A report of the Multnomah Medical Service Bureau's Committee on proposals for a merger with Oregon Physicians' Service was reviewed by J. E. Buckley, Chairman of said Committee, and by Richard B. Adams, Chairman of the Multnomah County Supervisory Committee of Oregon Physicians' Service.

Discussion ensued and opinions were expressed by a number of those present. No formal action was taken with regard to this matter inasmuch as the proposal has not as yet received action from the Multnomah Medical Service Bureau either favorably or unfavorably. It was reported informally that some discussion has arisen with reference to the possible desirability of obtaining the services of a medical director for Oregon Physicians' Service for either state-wide activity or for activities confined to Multnomah County.

After due consideration a motion was duly carried that the previous recommendation of the Multnomah County Supervisory Committee of Oregon Physicians' Service to the effect that said Supervisory Committee will continue to undertake the medical direction of the Service in Multnomah County shall be confirmed and that no medical director shall be employed by Oregon Physicians' Service at this time.

Interim financial statements for the Portland Division as of October 31, 1942 and for the Salem Division as of December 19, 1942 were reviewed and ordered filed.

These statements are attached next hereto in this Minute Book.

A motion was duly carried that the interim financial statement shall be approved.

Discussion ensued with reference to the proper method of reimbursing Class "A" stockholders for time and expense involved attending called meetings.

The following motion was duly carried: Resolved,
4799 that effective on and after December 19, 1942 each Class "A" stockholder of Oregon Physicians' Service shall be compensated by the corporation for time and expense involved in attending each stockholders meeting duly called by the Secretary, as follows: Ten Dollars ($10.00) as compensation for the time expended in attending each meeting; Twenty Cents ($.20) per mile one way applied to the distance by the most direct route between the stockholder's home city and the city of meeting as reimbursement for traveling expenses involved. That payment shall be made to any stockholder only after the Secretary shall have duly noted the attendance of such stockholder. That absent stockholders shall not be entitled to receive such payment.

Progress in the amalgamation of the Southern Oregon Medical Service Association into Oregon Physicians' Service was reviewed by W. C. Marshall. It was stated that all contracts formerly held by the local association have been assigned to Oregon Physicians' Service with one exception and that additional new contracts have been obtained.

The former office of the local organization has been changed into a divisional service office of Oregon Physicians' Service and a representative has been retained for the handling of administrative details in the Southern Oregon district.

The comptroller of Oregon Physicians' Service, E. E. Rubey, has completed an audit of the affairs of the local organization and it is anticipated that the affairs of the local association will be settled in the near future.

A request of the Jackson County Division for approval in the increasing of the membership of its Supervisory Committee from three to five members was approved by motion duly carried.

A resolution setting forth the principles of amalgamation of the Physicians and Surgeons Hospital Association with Oregon Physicians' Service, as previously approved by the stockholders of said Association, was read
4800 and discussed. A copy of this resolution is attached to this Minute Book next hereto.

A motion was duly carried that the amalgamation of the Physicians and Surgeons Hospital Association with Oregon Physicians' Service shall be approved on the basis stipulated in said resolution.

D. R. Ross explained that the operation of Oregon Physicians' Service in Marion and Polk Counties had been approved by action of the Marion-Polk Medical Society and that notification thereof would be sent in due course to the Oregon State Medical Society.

It was stated that a Division Agreement for operations in the Salem District will be presented for approval in the near future.

An Agreement for use of the Salem office of the Physicians and Surgeons Hospital Association on a joint basis by Oregon Physicians' Service for the period from June 1 to December 31, 1942 was read and was approved by motion duly carried.

A copy of this agreement is attached to this Minute Book next hereto.

W. C. Marshall reported that meetings have been held recently with the Medical Societies of Douglas and Josephine Counties and that it appears likely that Oregon Physicians' Service will receive official approval for operation in said counties in the near future.

A report on progress of the Rural Health Service arrangement conducted by Oregon Physicians' Service in Malheur County, Oregon and in Southwestern Idaho was rendered.

It was stated that the plan appears to be operating successfully in most sections but that occasional repercussions have been noted in Ada County, Idaho.

Roderic Belknap, Oregon Physicians' Service Trustee located in Ontario, Oregon, has rendered continual assistance with reference to the operation of the FSA plan in Malheur County and in Idaho.

It was stated that considerable difficulty has been encountered with reference to the administration of Oregon Physicians' service contracts in several sections of the State on account of the demand for service by Cult practitioners from numerous subscribers. It also was pointed out the exclusion of female disorders under Oregon Physicians' Service contracts has caused considerable difficulty in certain instances.

4801

No action was taken with reference to these matters but it was agreed informally that the management shall confront the situations in a practical manner when they may arise.

The method of listing physicians, surgeons and specialists on a proposed state-wide Oregon Physicians' Service list was discussed.

A motion was duly carried that such a state-wide list shall place all general practitioners on an alphabetical basis by towns listed alphabetically and that all specialists shall be placed on a separate reference basis in the same alphabetical manner.

It was understood that such a state-wide list shall not prevent the issuance of further lists for use in Multnomah County, such latter lists to be drawn in a manner which may be determined from time to time by the Multnomah County Supervisory Committee of Oregon Physicians' Service.

It was agreed informally that the capitalization of Oregon Physicians' Service should be increased in the near future and that a special meeting of Class "A" stockholders should be called in due course for the purpose of approving such increase in capitalization.

By motion duly carried it was ordered that five percent of all receipts in all divisional pools in the State shall be retained each month during each yearly fiscal period for the purpose of establishing a current stabilization fund to be utilized in the defraying of exceptional service demands which may arise in any district during the fiscal period to which such reserves apply.

All unused portions of said five percent stabilization funds shall be returned on a pro rata basis to all pools from which they were derived at the end of the cur-
4802 rent yearly fiscal period.

It was agreed that rules and regulations for the utilization of such stabilization funds shall be drawn and shall be brought to the attention of the Board of Directors for approval at a later date.

Difficulties encountered in the current gas rationing program were reviewed, particularly with reference to the status of service executives employed by Oregon Physicians' Service.

It was agreed that every effort should be made to obtain reasonable allottments of gasoline for all service executives inasmuch as their activities are carried on in connection with the rendering of medical and hospital services under the unusual war time conditions.

The following motion was duly carried: "Be It Resolved, that the United States National Bank of Portland (Oregon) at its Ladd & Bush Salem branch, be and it hereby is designated as the banking depository of this corporation, and that checks on the Company's Salem office account shall be signed: by D. R. Ross, President; W. C. Marshall,